GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:6532
ANSWERED ON:08.05.2000
BENEFITS OFFERED UNDER NELP
ANANT GANGARAM GEETE

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether some extra benefits have been offered under New Exploration and Licensing Policy for Western Region of country;

(b) if so, the details thereof with special reference to Maharashtra and if not, the reasons therefor;

(c) whether such extra benefits have attracted private investors/foreign firms to undertake exploration activities in the country; and

(d) if so, the area earmarked under NELP, State and Union Territory-wise?

Answer

MINISTER OF STATE FOR THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) : The terms and conditions for offer of blocks under New Exploration Licensing Policy (NELP) would apply equally to all onland areas of the country including western region. The main terms and conditions for offer of blocks under NELP are given below :-

(i) No mandatory state participation.

(ii) No carried interest by National Oil Companies (NOCs).

(iii) Income Tax Holiday for seven years from start of commercial production.

(iv) Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.

(v) Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, it is payable at the rate of 10% for oil and natural gas. Royalty for discoveries in deep water areas beyond 400 m iso-bath will be chargeable at half the applicable rate for offshore areas for the first seven years of commercial production.

(vi) Freedom to the contractor for marketing of oil and gas in the domestic market.

(c) Yes, Sir. Of the 48 blocks offered under NELP-99, bids were received for 27 blocks. Out of the above, 25 blocks have been awarded and Production Sharing Contracts (PSCs) for 22 blocks have been signed.

(e) The area of onland blocks offered under the first round of NELP statewise is as under :-

State	Area Sq. Km.
Rajasthan	43075
Uttar Pradesh	55175
West Bengal	19900
Arunachal Pradesh	300